



# Allowance Products & Processes

Presentation to  
Maritime Allowance Working  
Group

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# Allowance Products & Processes

## Mission/Charter

Develop proposals for enhanced and efficient allowance products and processes, current and future, including...

- **Standardized metrics and goals to measure the performance of maritime allowance products and their impact on readiness**
- **Allowance strategies** (e.g. deployed Vs non-deployed)
- **Implementation & Transition plans**

Team will consist of NAVSUP, NAVSEA, NAVICP, TYCOM and NSLC representatives

Team will research and analyze problems and provide recommendations for resolution/enhancements

# Allowance Products & Processes

## ➡ Leads:

- Joe Bruno, NAVICP 0563
- Steve Case, NSLC N50
- CDR Matt Ford, COMSUBLANT N411
- CDR Barry Dowell, COMSURFLANT N412
- CDR Kevin Henderson, COMAIRLANT N412

# Allowance Products & Processes

## Issues:

- Metric(s)...Identify/define including how it should be applied
  - Ties allowances to readiness
  - Measures performance
- “Standardized Allowances”...Define what it means and how it is applied.
- Allowance models and techniques...review and identify/develop alternatives where appropriate
  - ASI
    - ◆ Allowance Churn Reduction Initiative (ACRI)
  - CILS TAT
  - Non-RBS Systems (e.g. System Allowance Technique)
    - ◆ Identify mechanism/forum for assessing condition of Shipboard Equip/Systems
      - Focus on systems in need of critical care and rehabilitation
      - Review and adjudicate proposals for technical data reconciliation and re-allowancing options including RBS, .5F+, etc.
- Alternative allowance strategies that maximizes ROI (cost/readiness) and capitalizes on existing afloat and ashore inventories...  
Identify/develop alternatives as required

# Allowance Products & Processes

- ➡ Smart Allowance Computation History File (ACHF)...Master Allowance File
  - Historical Audit Trail of Authorized Allowances
    - Provides authorized AQ by UIC/NIIN or NIIN/UIC(s)
    - Identifies Allowance Source (e.g. ASI #, CILS TAT, etc.)
    - Mimics SNAP Last Application Deletion Based on CDMD-OA data link
  - LANT Fleet Demo Conducted 23-24 Sep 2002
  - PAC Fleet Demo Scheduled for 30-31 Oct 2002
  - Initial Release Projected for Jan 2003

# Allowance Products & Processes

## ➔ Re-engineered Maritime Allowance Development (ReMAD)

- Moving from UICP to the Allowance Process of the Future
  - Phase I Smart Allowance Computation History File (ACHF)
    - ♦ Master Allowance File (MAF)
    - ♦ Historical Repository of Allowances
  - Phase II Redesigned Allowance Process
    - ♦ Utilize external master sources ....CDMD-OA, OARS, etc.
    - ♦ Standard Allowance File...support Maritime Allowance Improvement
    - ♦ Streamline and increases the Flexibility of the UICP/Unique process
    - ♦ Enhanced Analytical ("what If") Capability
    - ♦ Disciplined/Control Allowancing at Ship, System, and NIIN level
  - Web Enabled...Associative Database...R&D Funding
  - Platform for ASI Process Improvement
  - Platform for COSAL/SNAP Ashore

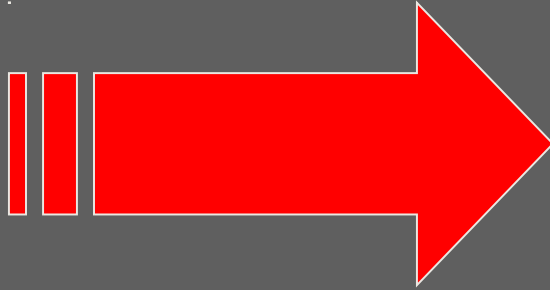


# System Allowance Technique (SAT)






# Continuing Process Improvement Moving to a Focused Allowance Maintenance Strategy

## Yesterday

- Random Churn
- Small ROI



## Tomorrow

- CSM / CILS-TAT   
• Problem Equipment   
• Problem Ships
- ACIP   
• Specific Parts   
• Specific Ships
- Trouble Equipment (SAT)   
• Specific Equipment  
• Fleetwide

*Disciplined Quantitative Approach with  
Readiness Payback*

# System Allowance Technique (SAT)

## ⇒ Original Purpose/Objective

- Provide a System Oriented Allowancing Technique to Complement ACIP and CILS-TAT under the Focused Allowance Maintenance Strategy (FAMS) Concept
- Tie Need for Allowancing and Allowances to an approved Readiness Indicator (e.g. Ao for RBS systems)
  - Deferred Maintenance Actions (DMAs) For Non-RBS Systems

# System Allowance Technique (SAT)

## ➡ Subsequent Data Points

- Initial Finding - Prototype Models did not Significantly Reduce DMAs
  - Technical Issues (Maintenance Level & Overrides)
- Feedback: Include Downtime as Readiness Indicator
  - Investigated Response to Failure (RTF)/Average Customer Wait Time (ACWT)
    - ◆ Examined Logistics Response Time (LRT)
  - Use Existing Approved Readiness Indicator
    - ◆ CASREPs
  - Synchronize Budget Development and Execution
    - ◆ Stabilize Allowances

# System Allowance Technique (SAT)

- ➡ Troubled System Identification - Long Term Goal
  - Use CASREPs to Identify System Criticality within Ship Classes (Primary & Secondary)
  - Use Percent of Time Free (POTF) of CASREPs as System Readiness Metric
  - Establish POTF **Goal** for each Ship Class and System or Establish Across the Board POTF Goals
    - C2, C3 and C4 CASREPs
  - Identify Systems with POTF below Established Goal

# System Allowance Technique (SAT)

- ➡ Troubled System Identification - Interim Process
  - Use Percent of Time Free (POTF) of CASREPs as System Readiness Indicator
  - Identify System Criticality within Ship Classes (Primary & Secondary)
  - Rank Top 20 Critical Systems by Ship Class
    - Identified via Ship's Material Condition Metrics (SMCM) Web Site
    - C2, C3 and C4 CASREPs
  - Identify Re-Allowancing Candidates
    - Identify Technical Issues for Resolution

# System Allowance Technique (SAT)

## ⇒ Allowancing Troubled System Candidates

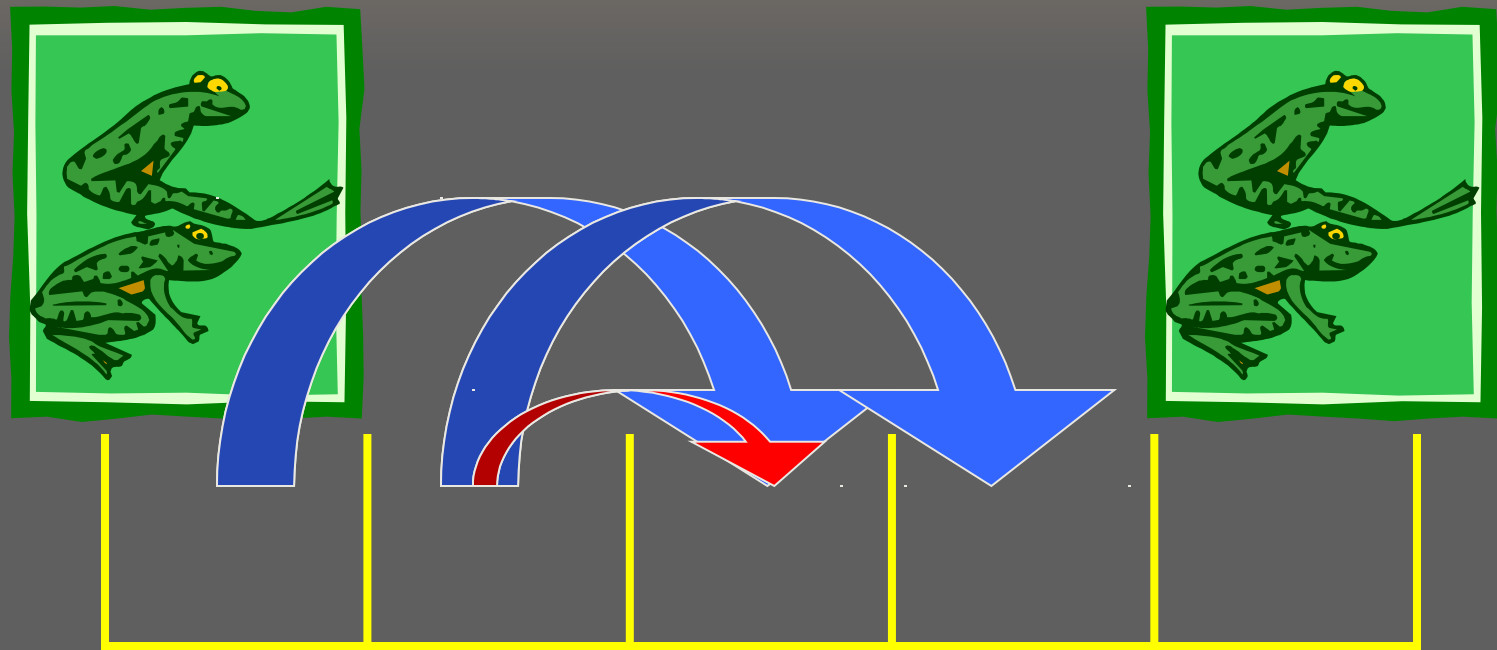
- Apply Existing 3-M and CASREP Addback rules to candidate NIINs
  - Positive ROI...Turn on items allowed
- Load NSAF with these requirements
- Perform this Analysis and Allowancing Process Once a Year
- Highest MRU is applied for Common NIINs across Systems

# System Allowance Technique (SAT)

## ⇒ Budget Cycle

- “Leap Frog” BAM Requirement and Execution Approach
  - Identify in Year 1 BAM Budget Requirements for Year 3
  - Perform analysis in Year 2 to refine and lock Requirements/Allowances (“Buy-In”) for Execution (“Buy-out”) in Year 3
  - Allowances Identified in Year 2 Serve as BAM Budget Requirements for Year 4

# “Leap Frog” Budget & Execution Process



Year 1   Year 2   Year 3   Year 4   Year 5



Budget Requirement



Refined Requirements  
for Execution

# System Allowance Technique (SAT)

## ➡ Allowance Execution

- SAT Maintenance Allowances Provided **Annually** via ASI
  - Post SCN COSALs and CILS-TATs Discontinued
- Maintenance Allowances provided **Quarterly** for ACIP, Approved Reprovisioning Gatekeeper Allowances, Safety, PMS, Special Projects (e.g. FP/AT)
- All Technical Data will Still Flow via **Monthly** ASIs